

AMENDED IN ASSEMBLY APRIL 9, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1642

Introduced by Assembly Member Hancock

February 23, 2007

An act to amend Section 14103.5 of the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1642, as amended, Hancock. Medi-Cal: noncontract hospitals.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons. Existing law provides that a hospital providing Medi-Cal services on a noncontract basis and that is in a closed health facility planning area is not eligible to receive reimbursement for services provided to a Medi-Cal beneficiary unless the noncontract hospital provides necessary emergency services to a Medi-Cal beneficiary who is in a life threatening or emergency situation, but cannot be sufficiently stabilized in order to facilitate transport to a contracting hospital.

This bill would also permit a noncontract hospital in a closed health facility planning area to receive a Medi-Cal reimbursement when the noncontract hospital is a *facility location of a nonprofit hospital which is an affiliate of a nonprofit health care service plan, the facility location is approved in accordance with the standards of the California Children's Services (CCS) program*, the hospital is providing services medically necessary for ~~a California Children Services (CCS) program-eligible~~ *the treatment of the CCS-eligible condition to* of a

~~CCS-eligible~~ *CCS-eligible* patient who is a member of the health care service plan for all other health care services not related to that condition, and the ~~CCS program authorizes the services for the treatment of that condition are authorized by the CCS program.~~

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 14103.5 of the Welfare and Institutions Code is amended to read:

14103.5. (a) A noncontract hospital that is in a closed health facility planning area is not eligible to receive reimbursement for services provided to a Medi-Cal beneficiary, unless either of the following apply:

(1) The noncontract hospital provides necessary emergency services to a Medi-Cal beneficiary who is in a life threatening or emergency situation, but cannot be sufficiently stabilized in order to facilitate transport to a contracting hospital.

~~(2) The noncontract hospital is a nonprofit affiliate of a health care service plan, the nonprofit hospital is providing services that are medically necessary for a California Children Services (CCS) program-eligible patient who is a member of the health care service plan for all other health care services not related to the CCS condition, and CCS authorizes the services for the CCS program-eligible condition.~~

(2) *The noncontract hospital is a facility location of a nonprofit hospital that is an affiliate of a nonprofit health care service plan, the facility location is approved in accordance with the standards of the California Children's Services (CCS) program, and the hospital is providing medically necessary services for treatment of the CCS-eligible condition of a patient when all of the following apply:*

(A) *The patient is eligible for services under the California Children's Services Act (Article 5 (commencing with Section 123800) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code) as well as the Medi-Cal program.*

1 (B) *The patient is a member of the health care services plan for*
2 *other health care services not related to the CCS condition.*

3 (C) *The services for treatment of the CCS-eligible patient are*
4 *authorized by the CCS program.*

5 (b) A noncontract hospital in a closed health facility planning
6 area that provides necessary emergency services to a Medi-Cal
7 beneficiary who is in a life threatening or emergency situation, but
8 cannot be sufficiently stabilized in order to facilitate transport to
9 a contracting hospital, may only be reimbursed for those necessary
10 emergency services when it obtains an approved treatment
11 authorization request.

12 (c) Any treatment authorization request submitted for any service
13 classified as a necessary emergency service, which would have
14 been subject to prior authorization had it not been so classified,
15 shall be supported by the attending physician's statement that does
16 all of the following:

17 (1) Describes in detail the nature of the emergency or life
18 threatening situation, including relevant clinical information about
19 the patient's condition.

20 (2) States why the patient could not be sufficiently stabilized
21 for transport to a contracting hospital and why the necessary
22 emergency services rendered were considered to be immediately
23 required. A mere statement that an emergency existed is not
24 sufficient. The treatment authorization request shall be
25 comprehensive enough to support a finding that an emergency or
26 a life threatening situation existed.

27 (3) Contains the signature of the attending physician who had
28 direct knowledge of the emergency described in the statement.

29 (d) For the purposes of this section, "necessary emergency
30 services" are limited to those health services medically necessary
31 for alleviation of severe pain or immediate diagnosis and treatment
32 of unforeseen medical conditions which, if not immediately
33 diagnosed and treated, could lead to significant disability or death.

34 (e) For the purposes of this section, a "noncontract hospital"
35 means a hospital that has not contracted with the department
36 pursuant to Article 2.6 (commencing with Section 14081) for the
37 provision of inpatient services to Medi-Cal beneficiaries.

38 (f) Nothing in this section shall be construed as limiting
39 reimbursement for medically necessary care following stabilization,

1 in the event that a contract hospital does not accept transfer of the
2 patient or pending the transfer to a contract hospital.

3 SEC. 2. This act is an urgency statute necessary for the
4 immediate preservation of the public peace, health, or safety within
5 the meaning of Article IV of the Constitution and shall go into
6 immediate effect. The facts constituting the necessity are:

7 In order to ensure that children receiving Medi-Cal services,
8 who have a CCS-eligible condition, and who are in fragile medical
9 condition, are not needlessly transported from one hospital to
10 another, disrupting families and disrupting continuity of care.